



IN REPLY  
REFER TO

DCMC-O

**DEFENSE LOGISTICS AGENCY**  
THE DEFENSE CONTRACT MANAGEMENT COMMAND  
6725 JOHN J. KINGMAN ROAD, SUITE 2533  
FT. BELVOIR, VIRGINIA 22060-6221

DEC 7 1998

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (ACQUISITION AND TECHNOLOGY)  
PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE (ACQUISITION AND TECHNOLOGY)  
DIRECTOR, DEFENSE PROCUREMENT  
DEPUTY UNDER SECRETARY OF DEFENSE (ACQUISITION REFORM)  
DEPUTY UNDER SECRETARY OF DEFENSE (LOGISTICS)  
ASSISTANT SECRETARY OF THE ARMY (RESEARCH, DEVELOPMENT AND ACQUISITION)  
ASSISTANT SECRETARY OF THE NAVY (RESEARCH, DEVELOPMENT AND ACQUISITION)  
ASSISTANT SECRETARY OF THE AIR FORCE (ACQUISITION)  
DIRECTOR, BALLISTIC MISSILE DEFENSE ORGANIZATION  
THROUGH: DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Single Process Initiative (SPI) Bi-monthly Activity Report

Forwarded for your review is the SPI bi-monthly report for the period ending November 30, 1998. This report features recent SPI successes including Lockheed Martin's Customer Partnership Conference, SPI Awards Program Press Releases, Acquisition Reform Satellite Broadcast, General Motors' Government Round Table Conference, Boeing Joint Leadership Council Meeting, Raytheon Systems Company Customer Council Meeting, Lockheed Martin Corporate Management Council Meeting, and DCMDE SPI Workshops. A summary of SPI activity for this reporting period is attached, and additional data is available for viewing on our home page (<http://www.dcmc.hq.dla.mil>).

Should you have any questions or concerns regarding information contained in the attached report, please contact Mr. Gordon Elley, SPI/Block Change Management Team Leader at (703) 767-247 1.

TIMOTHY P. MALISHENKO  
Major General, USAF  
Commander

Attachment  
cc:  
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*Single Process Initiative (SPI)*  
*Bi-monthly Report*  
*November 30, 1998*

*Lockheed Martin – Customer Partnership Conference*

- The Customer Partnership Conference was held in Santa Clara, CA, on October 27-28, 1998. Major General Timothy P. Malishenko, DCMC Commander, was the key note speaker. Topics he addressed were:
  - Criticality of Partnership
  - Revolution in Business Affairs
  - Robust SPI Infrastructure
  - Implementing Best Practices
  - Integrated Digital Environment
- At the conference DCMC participated on the government customer panel. The panel's discussions centered on using change to lower costs and increase productivity. Some of the topics discussed were:
- Change Opportunities
  - Identify opportunities that impact a large number of people within a company and customer organization
  - Workforce training on the new "performance based" business environment
  - Program office incentives to consider change when the result may be less control and a "perception" of more risks
  - Performance specification programs (new contracts with performance based requirements)
- Corporate Management Council (CMC)
  - Role of CMC
  - Corporate level SPI
  - Identify/prepare candidates for corporate wide concept papers
  - Coordination of concept papers by the government representatives to the CMC
  - Clarify site council's implementation process of corporate approved concept paper
  - Clarify CMC process to address a rejection of a concept paper or an impasse at the site level without impacting working relationships with the local customer
- Site Management Councils
  - Training and empowerment of services' component team leads
  - Uniform acceptance of concept at multiple sites for similar work/product lines
  - Encourage involvement of small and mid-sized programs and ICPs
  - Eliminate/reduce duplicate technical reviews of subcontractor SPIs at multiple sites and different government representatives
  - Streamline process dealing with regulatory change proposals
  - Clarification of subject matters site councils can include on their meeting agendas

### ***SPI Awards Program Press Releases***

- Favorable publicity generated from Second Annual SPI Recognition Awards Program Ceremony at the Defense Logistics Agency Headquarters Complex.
  - Aviation Week and Space Technology, 12 October 1998 issue, page 17.
  - Aerospace Daily, 8 October 1998 issue, page 46.
  - Defense Week, 13 October 1998 issue.

### ***Acquisition Reform (AR) Satellite Broadcast***

- Mr. Stan Soloway, DUSD(AR), hosted an AR satellite broadcast on October 22, 1998. The panel consisted of Mr. Soloway (moderator), Admiral Chamberlin, Dr. Oscar, Ms. Cathy Garman (VP Public Policy Contract Services), Mr. Robert Spreng (Executive Director, Integrated Dual Use Commercial Companies). The broadcast showed Mr. Soloway interviewing Dr. Gansler followed by a question and answer period.
- Dr. Gansler and the panel noted DoD's significant accomplishments toward furthering the Vice President's reform efforts - the movement toward commercial practices and effective teaming with industry. SPI has moved more slowly than hoped but SPI is a significant process.
- Both Dr. Gansler and the panel affirmed strong support for all AR activities including SPI and CMI. Details of the broadcast can be obtained from the AR web site (<http://www.acq.osd.mil/ar>).

### ***General Motors' Government Round Table (GRT) Conference***

- GRT Conference hosted by Allison Transmission Division of General Motors on October 22-23, 1998, in Indianapolis, IN. DCMC Headquarters briefed:
  - Overview of Civil Military Integration (CMI)
  - Role of SPI in CMI
  - SPI
    - Current Statistics/GM Scorecard
    - What's Important Now?
      - Renewed DoD Commitment
    - Corporate Councils

### ***Boeing Joint Leadership Council (JLC) Meeting***

- Boeing JLC meeting was held in St. Louis, MO on November 10, 1998. DCMC participated in government premeeting on November 9, 1998 and the Boeing JLC meeting the next day. Topics presented/discussed at the Boeing JLC meeting were:
  - Boeing Changes

- New Company Structure
- Commitment by President of Commercial Aircraft to be a major participant in the JLC, SPI and CMI
- Process Assessments & SPI
  - Aircraft & Missile Systems
  - Information & Communications
  - Space Transportation
- Revolution in Business Affairs
  - Pilot Project Status
  - Integrated Digital Environment

### ***Raytheon Systems Company Customer Council Meeting***

- DCMC participated in Raytheon Systems Company's (RSC) Customer Council meeting, which was held on November 19, 1998 at RSC headquarters in Arlington, VA. RSC's Customer Council was first in Corporate-level acceptance and implementation of three SPI concept papers. DCMC presented its Integrated Digital Environment (IDE) strategy and also emphasized the need for all corporate management councils to set goals and drive towards them rather than being reactive. Topics presented/discussed at the meeting were:
  - Acquisition Reform & Customer Overview
    - DoD/RSC Acquisition Reform Successes
    - Management Council Structure
    - Customer Council Charter
  - RSC Transition Status
    - Overhead rate submission status
  - Joint Performance Measurement Overview
  - Earned Value Management System Overview
  - DCMC Headquarters Overview
  - IDE Overview
  - Segment Management Council Overview
    - Aircraft Integration Systems
    - Command, Control, Communication & Information
    - Defense Systems
    - Sensors & Electronics Systems
    - Training & Services
  - SPI Signing Ceremony
  - SPI Overview
    - Implementation
    - New

### ***Lockheed Martin Corporate Management Council Meeting***

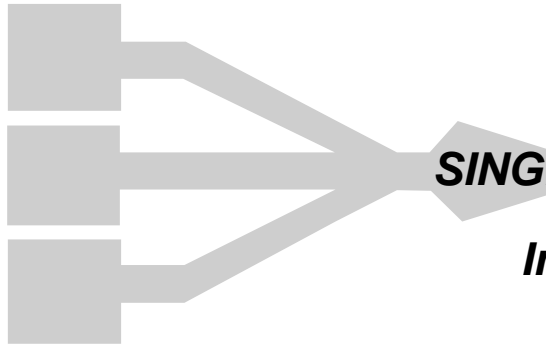
- DCMC participated in Lockheed Martin's (LM) Corporate Management Council (CMC) meeting, which was held on November 18, 1998 in Arlington, VA. Topics presented/discussed were:
  - Corporate Concept Paper(s)
    - Flow down of FARA/FASA regulations
    - Removal of canceled specifications – this concept paper is similar to SPI concept paper processed by DCMC Lockheed Martin Denver
    - Coordination and approval process
      - LM attempted to secure OSD and SAE endorsements parallel to processing concept papers using the accepted SPI process. This was unsuccessful as OSD and the Services merely acknowledged it as a good idea but insisted that the concept papers be processed through established channels.
  - There was considerable discussion on establishing roles and responsibilities, and expectations relative to each council member. DCMC's action item: To flowchart and describe actions required to process a concept paper. It is done and has been forwarded to all members for commenting.
  - DCMC emphasized the need for and received commitment from LM to target large payoff processes/pilots, establish goals and track actions to them.
  - DCMC LM Sunnyvale's new commander assumed the lead commander position on the corporate council.

### ***DCMDE SPI Workshops***

- Defense Contract Management District East conducted three SPI Workshops during the period October - November 1998.
  - October 21, 1998 workshop targeted DCMC Long Island area contractors. Twenty companies in the Long Island area participated.
    - GEC-Marconi Hazeltine was the guest contractor, briefing on company's successes with SPI.
  - November 10, 1998 workshop targeted DCMC Philadelphia area contractors. Eighteen companies in the Philadelphia area participated.
    - UDLP was the guest contractor, briefing on company's successes with SPI.
  - November 19, 1998 workshop targeted DCMC Birmingham area contractors. Nine companies in the Birmingham area participated.
    - Boeing North American of Duluth, GA was the guest contractor, briefing on the company's successes with SPI.
  - DCMC Headquarters briefed the workshops on:
    - Overall status of SPI
    - Future Direction of SPI
  - DCMDE provided each contractor a package, consisting of policy letters, guidance, sample concept papers, descriptions of approved processes (sanitized), AP2I information, to assist the contractor in identifying and submitting potential SPIs.

### *Summary*

- Lockheed Martin – Customer Partnership Conference
- SPI Awards Program Press Releases
- Acquisition Reform Satellite Broadcast
- General Motors’ Government Round Table Conference
- Boeing Joint Leadership Council Meeting
- Raytheon Systems Company Customer Council Meeting
- Lockheed Martin Corporate Management Council Meeting
- DCMDE SPI Workshops



# ***SINGLE PROCESS INITIATIVE***

## ***Implementation Summary***

*As of: December 3, 1998*

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<b><i>Contractor Facilities:</i></b>	<b><i>306</i></b>
<b><i>Top 200 Corporation Facilities:</i></b>	<b><i>164</i></b>
<b><i>International Facilities:</i></b>	<b><i>13</i></b>

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<b><i>Total Proposed Process Changes:</i></b>	<b><i>1530</i></b>
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<b><i>Found Technically Unacceptable:</i></b>	<b><i>60</i></b>
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<b><i>Processes Withdrawn/Disapproved:</i></b>	<b><i>293</i></b>
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<b><i>Total Block Change Modifications:</i></b>	<b><i>1072</i></b>
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<b><i>Average days from Submittal to Modification:</i></b>	<b><i>141</i></b>
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<b><i>Total Open:</i></b>	<b><i>165</i></b>
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<b><i>* Total Open Aged Over 120 days:</i></b>	<b><i>43</i></b>
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### **Proposal Development (30 Days)**

<b><i>Total Under Development/Awaiting Initial Acceptance:</i></b>	<b><i>37</i></b>
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<b><i>Total Under Development for More than 30 Days:</i></b>	<b><i>33</i></b>
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### **Approval (60 days)**

<b><i>Total Under Review for Approval:</i></b>	<b><i>69</i></b>
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<b><i>Disagreements/Problems Escalated:</i></b>	<b><i>28</i></b>
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<b><i>Total Under Review for More than 60 Days:</i></b>	<b><i>31</i></b>
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### **Modification (30 days)**

<b><i>Total Awaiting Contract Modification:</i></b>	<b><i>59</i></b>
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<b><i>Total Awaiting Contract Modification for More than 30 Days:</i></b>	<b><i>57</i></b>
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### **Implementation Results**

<b><i>Amount Negotiated:</i></b>	<b><i>\$30,450,156</i></b>
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<b><i>Estimated Cost Avoidance on Future Contracts:</i></b>	<b><i>\$448,334,544</i></b>
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\* Does not include Law/Reg Proposals, AP2I